

REGISTERED MAIL - RETURN RECEIPT REQUESTED

Ibn Khaldoon Drug Store Est.  
E B I Building, Mezzanine Flr.  
Al Maktoum Street  
Deira  
Dubia  
United Arab Emirates

Attention: *Khalfan Khamis Saif Al Omaili*  
*Proprietor*

Dear Mr. Al Omaili:

The Bureau of Industry and Security, United States Department of Commerce ("BIS"), has reason to believe that Ibn Khaldoon Drug Store Est. ("Ibn Khaldoon") violated the Export Administration Regulations (the "Regulations"),<sup>1</sup> which are issued under the authority of the Export Administration Act of 1979 (the "Act"),<sup>2</sup> on eight occasions. Specifically, BIS charges that Ibn Khaldoon committed the following violations:

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<sup>1</sup> The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2002). The violations charged occurred between 1998 and 1999. The Regulations governing the violations at issue are found in the 1998 and 1999 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (1998-1999)).

<sup>2</sup> 50 U.S.C. app. 2401- 2420 (2000). From August 21, 1994 through November 12, 2000, the Act was in lapse. During that period, the President, through Executive Order 12924, which had been extended by successive Presidential Notices, the last of which was August 3, 2000 (3 C.F.R., 2000 Comp. 397 (2001)), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 - 1706 (1994 & Supp. V 1999)) ("IEEPA"). On November 13, 2000, the Act was reauthorized by Pub. L. No. 106-508 and it remained in effect through August 20, 2001. Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (66 *Fed. Reg.* 44025 (August 22, 2001)), as extended by the Notice of August 14, 2002 (67 *Fed. Reg.* 53721 (August 16, 2002)), has continued the Regulations in effect under IEEPA. The Act and Regulations are available on the Government Printing Office website at: <http://w3.access.gpo.gov/bis/>.

**Charges 1-8 (15 C.F.R. §764.2(b) - Aiding and Abetting an Export in Violation of the Regulations)**

On eight occasions between on or about May 20, 1998 and June 2, 1999, Ibn Khaldoon aided and abetted the export of bone densitometer equipment, items subject to the Regulations and subject to the Iran Transactions Regulations, from the United States to Iran without prior authorization from the Office of Foreign Assets Control, U.S. Department of the Treasury, as required in Section 746.7 of the Regulations. Ibn Khaldoon aided and abetted the illegal exports by transshipping the items from the United Arab Emirates to Iran to complete their shipment from the United States. In doing so, Ibn Khaldoon committed eight violations of Section 764.2(b) of the Regulations.

Accordingly, Ibn Khaldoon is hereby notified that an administrative proceeding is instituted against it pursuant to Section 13(c) of the Act and Part 766 of the Regulations for the purpose of obtaining an order imposing administrative sanctions, including any or all of the following:

The maximum civil penalty allowed by law of up to \$11,000 per violation;<sup>3</sup>

Denial of export privileges; and/or

Exclusion from practice before BIS.

If Ibn Khaldoon fails to answer the charges contained in this letter within 30 days after being served with notice of issuance of this letter, that failure will be treated as a default. (Regulations, Sections 766.6 and 766.7). If Ibn Khaldoon defaults, the Administrative Law Judge may find the charges alleged in this letter are true without hearing or further notice to Ibn Khaldoon. The Under Secretary of Commerce for Industry and Security may then impose up to the maximum penalty on each of the charges in this letter.

Ibn Khaldoon is further notified that it is entitled to an agency hearing on the record if Ibn Khaldoon files a written demand for one with its answer. (Regulations, Section 766.6). Ibn Khaldoon is also entitled to be represented by counsel or other authorized representative who has power of attorney to represent it. (Regulations, Sections 766.3(a) and 766.4).

The Regulations provide for settlement without a hearing. (Regulations, Section 766.18). Should you have a proposal to settle this case, you or your representative should transmit it to me through the attorney representing BIS named below.

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<sup>3</sup> Pursuant to 15 C.F.R. § 6.4(a)(2) the maximum penalty is \$11,000 per violation.

Ibn Khaldoon Drug Store Est.  
Charging Letter  
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The U.S. Coast Guard is providing administrative law judge services in connection with the matters set forth in this letter. Accordingly, Ibn Khaldoon's answer must be filed in accordance with the instructions in Section 766.5(a) of the Regulations with:

U.S. Coast Guard ALJ Docketing Center  
40 S. Gay Street  
Baltimore, Maryland 21202-4022

In addition, a copy of Ibn Khaldoon's answer must be served on BIS at the following address:

Office of Chief Counsel for Industry and Security  
Attention: Peter R. Klason  
Room H-3839  
United States Department of Commerce  
14th Street and Constitution Avenue, N.W.  
Washington, D.C. 20230

Peter R. Klason is the attorney representing BIS in this case. Any communications that you may wish to have concerning this matter should occur through him. He may be contacted by telephone at (202) 482-5301.

Sincerely,

Mark D. Menefee  
Director  
Office of Export Enforcement

Enclosure

## SCHEDULE A

CHARGE NUMBER	DATE OF VIOLATION	SYSTEM NUMBER	VALUE
1	May 20, 1998	DQW 5983	\$33,003.34
2	August 26, 1998	DMD-2919, DMD-2920, DMD-2921, DMD-2926	\$141,780.00
3	May 7, 1999	DMD-7164	\$32,815.00
4	June 2, 1999	1319	\$82,400.00
5	September 1, 1999	DMD-7275	\$32,815.00
6	October 15, 1999	DMD-7394	\$32,815.00
7	November 3, 1999	DMD-3113	\$33,945.00
8	June 2, 1999*	20782	\$10,320.00

\* For these exports the date of shipment is unknown, so the date that the order was booked is included in this chart.

UNITED STATES DEPARTMENT OF COMMERCE  
BUREAU OF INDUSTRY AND SECURITY  
WASHINGTON, D.C. 20230

In the Matter of:	)	
	)	
Ibn Khaldoon Drug Store Est.	)	Docket No. 03-BIS-08
E B I Building, Mezzanine Flr.	)	
Al Maktoum Street	)	
Deira	)	
Dubai	)	
United Arab Emirates	)	
	)	
Respondent.	)	
	)	

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between Respondent, Ibn Khaldoon Drug Store Est. (“Ibn Khaldoon”), and the Bureau of Industry and Security, United States Department of Commerce (“BIS”) (collectively referred to as “Parties”), pursuant to Section 766.18(b) of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2004)) (“Regulations”),<sup>1</sup> issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (“Act”),<sup>2</sup>

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<sup>1</sup> The violations charged occurred between 1998 and 1999. The Regulations governing the violations at issue are found in the 1998 and 1999 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (1998-1999)). The 2004 Regulations establish the procedures that apply to this matter.

<sup>2</sup> From August 21, 1994 through November 12, 2000, the Act was in lapse. During that period, the President, through Executive Order 12924, which had been extended by successive Presidential Notices, the last of which was August 3, 2000 (3 C.F.R., 2000 Comp. 397 (2001)), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 - 1706 (2000)) (“IEEPA”). On November 13, 2000, the Act was reauthorized and it remained in effect through August 20, 2001. Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), as extended by the Notice of August 7, 2003 (3 C.F.R., 2003 Comp. 328 (2004)), has continued the Regulations in effect under the IEEPA.

WHEREAS, BIS has initiated an administrative proceeding against Ibn Khaldoon, pursuant to the Act and the Regulations;

WHEREAS, BIS has issued an amended charging letter to Ibn Khaldoon that alleged that Ibn Khaldoon committed eight violations of the Regulations, specifically:

1. *Eight Violations of 15 C.F.R. § 764.2(b) - Aiding and Abetting an Export in Violation of the Regulations:* On eight occasions between on or about May 20, 1998 and June 2, 1999, Ibn Khaldoon aided and abetted Lunar Corporation, a predecessor to GE Medical Systems Ultrasound & Primary Care Diagnostics, Inc., in the export of bone densitometer equipment, items subject to the Regulations and subject to the Iranian Transactions Regulations, from the United States to Iran without prior authorization from the Office of Foreign Assets Control, U.S. Department of the Treasury, as required in Section 746.7 of the Regulations. Ibn Khaldoon aided and abetted the unlicensed exports by transshipping the items from the United Arab Emirates to Iran to complete their shipment from the United States.

WHEREAS, Ibn Khaldoon has reviewed the amended charging letter and is aware of the allegations made against it and the administrative sanctions which could be imposed against it if the allegations are found to be true;

WHEREAS, Ibn Khaldoon fully understands the terms of this Agreement and the Order (“Order”) that the Assistant Secretary of Commerce for Export Enforcement will issue if she approves this Agreement as the final resolution of this matter;

WHEREAS, Ibn Khaldoon enters into this Agreement voluntarily and with full knowledge of its rights;

WHEREAS, Ibn Khaldoon states that no promises or representations have been made to it other than the agreements and considerations herein expressed;

WHEREAS, Ibn Khaldoon neither admits nor denies the allegations contained in the amended charging letter;

WHEREAS, Ibn Khaldoon wishes to settle and dispose of all matters alleged in the amended charging letter by entering into this Agreement; and

WHEREAS, Ibn Khaldoon agrees to be bound by the Order, if entered;

NOW THEREFORE, the Parties hereby agree as follows:

1. BIS has jurisdiction over Ibn Khaldoon, under the Regulations, in connection with the matters alleged in the amended charging letter.
2. The following sanction shall be imposed against Ibn Khaldoon in complete settlement and final resolution of the violation of the Regulations set forth in the amended charging letter:
  - a. Ibn Khaldoon shall be assessed a civil penalty in the amount of \$40,000 which shall be paid to the U.S. Department of Commerce within 30 days from the date of entry of the Order pursuant to the attached instructions.
  - b. The timely payment of the civil penalty agreed to in paragraph 2.a. is hereby made a condition to the granting, restoration, or continuing validity of any export license, License Exception, permission, or privilege granted, or to be granted, to Ibn Khaldoon. Failure to make timely payment of the civil penalty set forth above may

result in the denial of all of Ibn Khaldoon's export privileges for a period of one year from the date of imposition of the penalty.

3. Subject to the approval of this Agreement pursuant to paragraph 8 hereof, Ibn Khaldoon hereby waives all rights to further procedural steps in this matter (except with respect to any alleged violations of this Agreement or the Order, if entered), including, without limitation, any right to: (a) an administrative hearing regarding the allegations in the amended charging letter; (b) request a refund of any civil penalty paid pursuant to this Agreement and the Order, if entered; (c) request any relief from the Order, if entered, including without limitation relief from the terms of a denial order under 15 C.F.R. § 764.3(a)(2); and (d) seek judicial review or otherwise contest the validity of this Agreement or the Order, if entered.

4. Upon entry of the Order and timely payment of the \$40,000 civil penalty, BIS will not initiate any further administrative proceeding against Ibn Khaldoon in connection with any violation of the Act or the Regulations arising out of the transactions identified in the amended charging letter.

5. BIS will make the amended charging letter, this Agreement, the Order, if entered, and the record of the case as defined in Section 766.20 of the Regulations available to the public.

6. This Agreement is for settlement purposes only. Therefore, if this Agreement is not accepted and the Order is not issued by the Assistant Secretary of Commerce for Export Enforcement pursuant to Section 766.18(b) of the Regulations, no Party may use this Agreement in any administrative or judicial proceeding and the Parties shall not be bound by the terms contained in this Agreement in any subsequent administrative or judicial proceeding.

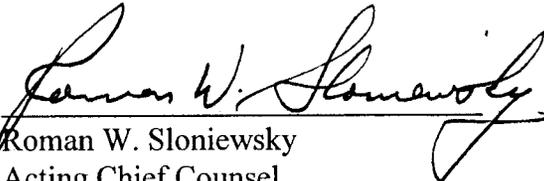
7. No agreement, understanding, representation or interpretation not contained in this Agreement may be used to vary or otherwise affect the terms of this Agreement or the Order, if entered, nor shall this Agreement serve to bind, constrain, or otherwise limit any action by any other agency or department of the United States Government with respect to the facts and circumstances addressed herein.

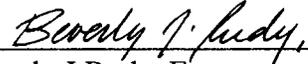
8. This Agreement shall become binding on the Parties only if the Assistant Secretary of Commerce for Export Enforcement approves it by entering the Order, which will have the same force and effect as a decision and order issued after a full administrative hearing on the record.

9. Each signatory affirms that he has authority to enter into this Settlement Agreement and to bind his respective party to the terms and conditions set forth herein.

OFFICE OF CHIEF COUNSEL FOR  
INDUSTRY AND SECURITY  
U.S. DEPARTMENT OF COMMERCE

IBN KHALDOON DRUG STORE EST.

  
Roman W. Sloniewsky  
Acting Chief Counsel

  
Beverly J Rudy, Esq.  
David L. Wochner, Esq.  
Attorneys for Ibn Khaldoon  
Drug Store Est.

Date: 7/12/04

Date: July 8, 2004

UNITED STATES DEPARTMENT OF COMMERCE  
BUREAU OF INDUSTRY AND SECURITY  
WASHINGTON, D.C. 20230

In the Matter of:	)	
	)	
Ibn Khaldoon Drug Store Est.	)	Docket No. 03-BIS-08
E B I Building, Mezzanine Flr.	)	
Al Maktoum Street	)	
Deira	)	
Dubai	)	
United Arab Emirates	)	
	)	
Respondent.	)	
	)	

ORDER

The Bureau of Industry and Security, United States Department of Commerce (“BIS”) having initiated an administrative proceeding against Ibn Khaldoon Drug Store Est. (“Ibn Khaldoon”) pursuant to Section 766.3 of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2004) (“Regulations”),<sup>1</sup> and Section 13(c) of the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (“Act”),<sup>2</sup> based on the amended charging letter issued to Ibn Khaldoon that alleged that Ibn Khaldoon committed eight violations of the Regulations. Specifically, the charges are:

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<sup>1</sup> The violations charged occurred between 1998 and 1999. The Regulations governing the violations at issue are found in the 1998 and 1999 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (1998-1999)). The 2004 Regulations establish the procedures that apply to this matter.

<sup>2</sup> From August 21, 1994 through November 12, 2000, the Act was in lapse. During that period, the President, through Executive Order 12924, which had been extended by successive Presidential Notices, the last of which was August 3, 2000 (3 C.F.R., 2000 Comp. 397 (2001)), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 - 1706 (2000)) (“IEEPA”). On November 13, 2000, the Act was reauthorized and it remained in effect through August 20, 2001. Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), as extended by the Notice of August 7, 2003 (3 C.F.R., 2003 Comp. 328 (2004)), has continued the Regulations in effect under the IEEPA.

1. *Eight Violations of 15 C.F.R. § 764.2(b) - Aiding and Abetting an Export in Violation of the Regulations:* On eight occasions between on or about May 20, 1998 and June 2, 1999, Ibn Khaldoon aided and abetted Lunar Corporation, a predecessor to GE Medical Systems Ultrasound & Primary Care Diagnostics, Inc., in the export of bone densitometer equipment, items subject to the Regulations and subject to the Iranian Transactions Regulations, from the United States to Iran without prior authorization from the Office of Foreign Assets Control, U.S. Department of the Treasury, as required in Section 746.7 of the Regulations. Ibn Khaldoon aided and abetted the unlicensed exports by transshipping the items from the United Arab Emirates to Iran to complete their shipment from the United States.

BIS and Ibn Khaldoon having entered into a Settlement Agreement pursuant to Section 766.18(b) of the Regulations whereby they agreed to settle this matter in accordance with the terms and conditions set forth therein, and the terms of the Settlement Agreement having been approved by me;

**IT IS THEREFORE ORDERED:**

FIRST, that a civil penalty of \$40,000 is assessed against Ibn Khaldoon which shall be paid to the U.S. Department of Commerce within 30 days from the date of entry of this Order. Payment shall be made in the manner specified in the attached instructions.

SECOND, that, pursuant to the Debt Collection Act of 1982, as amended (31 U.S.C. §§ 3701-3720E (2000)), the civil penalty owed under this Order accrues interest as more fully described in the attached Notice, and, if payment is not made by the due date specified herein,

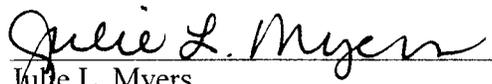
Ibn Khaldoon will be assessed, in addition to the full amount of the civil penalty and interest, a penalty charge and an administrative charge, as more fully described in the attached Notice.

THIRD, that the timely payment of the civil penalty set forth above is hereby made a condition to the granting, restoration, or continuing validity of any export license, license exception, permission, or privilege granted, or to be granted, to Ibn Khaldoon. Accordingly, if Ibn Khaldoon should fail to pay the civil penalty in a timely manner, the undersigned may enter an Order denying all of Ibn Khaldoon's export privileges for a period of one year from the date of entry of this Order.

FOURTH, that a copy of this Order shall be delivered to the Honorable Peter A. Fitzpatrick, US Coast Guard, Norfolk Federal Office Building, 200 Granby Street, Room 602, Norfolk, VA 23510-1888; and the United States Coast Guard ALJ Docketing Center, 40 Gay Street, Baltimore, Maryland 21202-4022, notifying them that this case is withdrawn from adjudication, as provided by Section 766.18 of the Regulations

FIFTH, that the charging letter, the Settlement Agreement, this Order, and the record of this case as defined in Section 766.20 of the Regulations shall be made available to the public.

This Order, which constitutes the final agency action in this matter, is effective immediately.

  
Julie L. Myers  
Assistant Secretary of Commerce  
for Export Enforcement

Entered this 12<sup>th</sup> day of August 2004.